

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

EA-11 FRB-02 INR-10 IO-14 NEA-14 NSAE-00 RSC-01

OPIC-12 SP-03 TRSE-00 CIEP-02 LAB-06 SIL-01 SWF-02

OMB-01 L-03 STR-08 INT-08 DRC-01 /158 W

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R 151403Z MAY 74

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 7459

INFO USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

USUN NEW YORK 243

AMEMBASSY OSLO

USMISSION OECD PARIS

AMEMBASSY STOCKHOLM

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E.O. 11652: N/A

TAGS: EFIN, FI

SUBJECT: DIRECT INVESTMENT ISSUES IN THE OECD

REF: STATE 89852

1. INFORMAL CONSULTATIONS DIRECTED IN REFTEL WERE HELD MAY 10 WITH HAMALAINEN, HEAD OF DIVISION OF FOREIGN MINISTRY ECONOMIC DEPARTMENT WHICH HANDLES OECD AND GATT MATTERS. SUBJECT WILL ALSO BE EXPLORED, PROBABLY EARLY NEXT WEEK, WITH DIRECTOR VOUTILAINEN IN BANK OF FINLAND WHICH HAS CONSIDERABLE ROLE IN ESTABLISHING POLICY REGARDING FOREIGN INVESTMENT.

2. HAMALAINEN SAID HE WAS GRATEFUL FOR OPPORTUNITY TO REVIEW U.S. VIEWS. AS FOR FINNISH VIEWS, HE INDICATED HE HIMSELF HAD JUST RETURNED FROM SPECIAL GENERAL ASSEMBLY
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SESSION IN NEW YORK AND HAD NOT YET REALLY FOCUSED ON

UPCOMING OECD MINISTERIAL MEETING, SO COULD ONLY
OFFER SOME GENERAL COMMENTS.

3. HE SAID FINLAND IS NET IMPORTER OF CAPITAL AND
CONTINUES TO WELCOME FOREIGN INVESTMENT. HOWEVER,
MINING AND FORESTRY ARE SECTORS RESERVED FOR FINNS.
STEELMAKING IS ANOTHER AREA IN WHICH APPLICATION FOR
FOREIGN INVESTMENT WOULD PROBABLY BE REJECTED.

4. OVERALL, FINLAND IS SATISFIED WITH WORK IN OECD ON
MULTINATIONAL CONCERNS (MNC) AND HOPES THAT A CODE OF
CONDUCT FOR MNC MAY EMERGE FROM THIS WORK. FINLAND
BELIEVES THAT OECD SPECIALIZED GROUPS' FINDINGS AND
RECOMMENDATIONS ON MNC'S COULD BE USEFUL IN DEALING WITH
THIS 'PROBLEM' "GLOBALLY"--E.G., IN U.N.

5. OECD CONSIDERATION OF DIRECT INVESTMENT ISSUES HAS
CAUSED FINLAND TO REFINE ITS STATISTICS ON FOREIGN
INVESTMENT IN FINLAND, WHICH UNTIL NOW HAVE BEEN KEPT IN
CURRENCY TERMS. FINLAND FEELS THAT AS OTHER OECD MEMBERS
ADOPT COMPARABLE STATISTICAL BASIS FOR REPORTING ON
FOREIGN INVESTMENT, COMMON DATA BASE WILL PROVE
QUITE USEFUL IN FURTHER DISCUSSIONS.

6. IN RESPECT TO NATIONALIZATION OF FOREIGN-OWNED
FIRMS, FINLAND RECOGNIZES THAT IT IS NECESSARY SOMETIMES
THAT L.D.C.'S NATIONALIZE IN INTERESTS OF DEVELOPMENT.
FINLAND BELIEVES THAT COMPENSATION SHOULD BE "ADEQUATE"..
KREHBIEL

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